

LEGISLATURE OF THE STATE OF IDAHO
Sixtieth Legislature Second Regular Session - 2010
IN THE HOUSE OF REPRESENTATIVES
HOUSE BILL NO. 430
BY BUSINESS COMMITTEE

AN ACT

RELATING TO INSURANCE ADMINISTRATORS; REPEALING CHAPTER 9, TITLE 41, IDAHO CODE, RELATING TO INSURANCE ADMINISTRATORS; AMENDING TITLE 41, IDAHO CODE, BY THE ADDITION OF A NEW CHAPTER 9, TITLE 41, IDAHO CODE, TO DEFINE TERMS, TO REQUIRE THE USE OF WRITTEN AGREEMENTS BY ADMINISTRATORS, TO PROVIDE THAT PAYMENTS RECEIVED BY AN ADMINISTRATOR ARE DEEMED PAYMENTS RECEIVED BY THE INSURER, TO REQUIRE THE MAINTENANCE OF CERTAIN BOOKS AND RECORDS BY ADMINISTRATORS, TO REQUIRE INSURER APPROVAL OF ADVERTISING USED BY ADMINISTRATORS AND FILING OF ADVERTISING MATERIALS WITH THE DIRECTOR, TO REQUIRE THAT FUNDS RECEIVED BY AN ADMINISTRATOR BE HELD IN A FIDUCIARY CAPACITY AND REMITTED TIMELY TO THE APPROPRIATE PERSON, TO REQUIRE THAT ADMINISTRATORS DELIVER CERTAIN MATERIALS TO COVERED PERSONS, TO PROVIDE REQUIREMENTS FOR THE COMPENSATION OF ADMINISTRATORS, TO REQUIRE CERTAIN NOTICE BE GIVEN TO COVERED INDIVIDUALS, TO REQUIRE REGISTRATION BY PERSONS ACTING AS ADMINISTRATORS FOR SELF-FUNDED PLANS, TO PROVIDE REQUIREMENTS FOR HOME STATE LICENSING AS AN ADMINISTRATOR, TO PROVIDE FOR A NONRESIDENT ADMINISTRATOR LICENSE, TO PROVIDE FOR THE EXPIRATION AND RENEWAL OF AN ADMINISTRATOR LICENSE AND PAYMENT OF RENEWAL FEES, TO REQUIRE THAT ADMINISTRATORS FILE AN ANNUAL REPORT, TO PROVIDE GROUNDS FOR THE DENIAL, SUSPENSION OR REVOCATION OF AN ADMINISTRATOR'S LICENSE, TO REQUIRE REPORTING OF ACTIONS TAKEN AGAINST AN ADMINISTRATOR BY ANOTHER JURISDICTION AND TO PROVIDE THAT THE PROVISIONS OF THE CHAPTER ARE NOT LIMITING; AND DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Chapter 9, Title 41, Idaho Code, be, and the same is hereby repealed.

SECTION 2. That Title 41, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW CHAPTER, to be known and designated as Chapter 9, Title 41, Idaho Code, and to read as follows:

CHAPTER 9

INSURANCE ADMINISTRATORS

41-901. DEFINITIONS. For the purposes of this chapter:

(1) "Administrator" or "third party administrator" or "TPA" means any person who directly or indirectly underwrites, collects charges or premiums from or adjusts or settles claims on residents of this state in connection with life, annuity or health insurance coverage offered or provided by an insurer, except any of the following:

(a) An employer, or a wholly owned direct or indirect subsidiary of an employer, on behalf of its employees or the employees of one (1) or more subsidiaries or affiliated corporations of such employer.

(b) A union on behalf of its members.

(c) An insurance company that is either authorized to transact insurance in this state or acting as an insurer with respect to a policy lawfully issued and delivered by such company in and pursuant to the laws of a state in which the insurer was authorized to transact an insurance business, or a hospital, medical, dental or optometric service corporation or a health care service organization, including their sales representatives, possessing a valid certificate of authority in this state when engaged in the performance of their duties.

(d) An insurance producer licensed to sell life, annuities or health coverage in this state whose activities are limited exclusively to the sale, solicitation and negotiation of insurance.

(e) A creditor on behalf of its debtors with respect to insurance covering a debt between the creditor and its debtors.

(f) A trust, its trustees, agents and employees acting pursuant to such trust established in conformity with 29 U.S.C. 186.

(g) A trust exempt from taxation under section 501 (a) of the Internal Revenue Code, its trustees and employees acting pursuant to such trust or a custodian and the custodian's agents or employees acting pursuant to a custodian account that meets the requirements of section 401 (f) of the Internal Revenue Code.

(h) A credit union or a financial institution that is subject to supervision or examination by federal or state banking authorities, or a mortgage lender, to the extent they collect and remit premiums to licensed insurance producers or to limited lines producers or authorized insurers in connection with loan payments.

(i) A credit card issuing company that advances for and collects premiums or charges from its credit cardholders who have authorized such collection.

(j) A person who adjusts or settles claims in the normal course of that person's practice or employment as an attorney at law and who does not collect charges or premiums in connection with life, annuity or health insurance coverage.

(k) A person licensed as a managing general agent in this state whose activities are limited exclusively to the scope of activities conveyed under such license.

(l) A person who is affiliated with an insurer and who acts solely as an administrator for the direct and assumed insurance business of an affiliated insurer. The insurer is responsible for the acts of the administrator and is responsible for providing all of the administrator's books and records to the insurance director upon a request from the insurance director. For purposes of this paragraph, "insurer" means a licensed insurance company, hospital or professional service corporation or a managed care organization.

(2) "Affiliate" or "affiliated" means an entity or person who directly or indirectly through one (1) or more intermediaries controls or is controlled by, or is under common control with, a specified entity or person.

(3) "Control," including the terms "controlling," "controlled by" and under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing ten

percent (10%) or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided in section 41-3806(11), Idaho Code, that control does not exist in fact. The director may determine, after furnishing all persons in interest notice and an opportunity to be heard and making specific findings of fact to support the determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

(4) "Director" means the director of the Idaho department of insurance.

(5) "GAAP" means United States "Generally Accepted Accounting Principles" consistently applied.

(6) "Home state" means the District of Columbia and any state or territory of the United States in which an administrator is incorporated or maintains its principal place of business. If neither the state in which the administrator is incorporated nor the state in which it maintains its principal place of business has adopted the provisions of this chapter, or a substantially similar law governing administrators, the administrator may declare another state in which it conducts business to be its "home state."

(7) "Insurer" means a person undertaking to provide life, annuity or health coverage or self-funded coverage who is subject to regulation under title 41, Idaho Code.

(8) "NAIC" means the "National Association of Insurance Commissioners."

(9) "Nonresident administrator" means an administrator with a home state other than Idaho.

(10) "Underwrites" or "underwriting" means, but is not limited to, the acceptance of employer or individual applications for coverage of individuals in accordance with the written rules of the insurer or self-funded plan, or the overall planning and coordinating of a benefits program.

(11) "Uniform application" means the current version of the NAIC uniform application for third party administrators.

41-902. WRITTEN AGREEMENT NECESSARY. (1) No administrator shall act as such without a written agreement between the administrator and the insurer, and the written agreement shall be retained as part of the official records of both the insurer and the administrator for the duration of the agreement and for five (5) years thereafter. The agreement shall be consistent with the provisions of this chapter and shall contain all provisions required in this chapter, except insofar as those requirements do not apply to the functions performed by the administrator.

(2) The written agreement shall include a statement of duties that the administrator is expected to perform on behalf of the insurer and the lines, classes or types of insurance for which the administrator is to be authorized to administer. The agreement shall make provision with respect to underwriting or other standards pertaining to the business underwritten by the insurer.

(3) The insurer or administrator may, with written notice to the other party and the director, terminate the written agreement as provided in the agreement. The insurer may suspend the underwriting authority of the administrator during the pendency of any dispute regarding the termination of the written agreement. The insurer shall fulfill any lawful obligations with respect to policies affected

by the written agreement regardless of any dispute between the insurer and the administrator.

41-903. PAYMENT TO ADMINISTRATOR. If an insurer utilizes the services of an administrator, the payment to the administrator of any premiums or charges for insurance by or on behalf of the insured shall be deemed to have been received by the insurer and the payment of return premiums or claims forwarded by the insurer to the administrator shall not be deemed payment to the insured or claimant until the payments are received by the insured or claimant. Nothing in this chapter limits any right of the insurer against the administrator resulting from the failure of the administrator to make payments to the insurer, insured parties or claimants.

41-904. MAINTENANCE OF INFORMATION. (1) Every administrator shall maintain and make available to the insurer complete books and records of all transactions performed on behalf of the insurer. The books and records shall be maintained in accordance with prudent standards of insurance recordkeeping and shall be maintained for a period of not less than five (5) years from the date of their creation.

(2) The director shall have access to books and records maintained by an administrator for the purposes of examination, audit and inspection.

(3) The insurer shall own the records generated by the administrator pertaining to the insurer; however, the administrator shall retain the right to continuing access to books and records to permit the administrator to fulfill all of its contractual obligations to insured parties, claimants and the insurer, and its obligations to maintain records available to the director.

(4) In the event the insurer and the administrator cancel their agreement, notwithstanding the provisions of subsection (1) of this section, the administrator may, by written agreement with the insurer, transfer all records to a new administrator rather than retain them for five (5) years. In such cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of the prior administrator as required in subsection (1) of this section.

41-905. ADVERTISING -- APPROVAL. An administrator may use only advertising pertaining to the business underwritten by an insurer that has been approved in writing by the insurer in advance of its use. Prior to approving the use of advertising by an administrator, the insurer shall first file the advertising with the director along with a certification in a form prescribed by the director that the advertising complies with Idaho law. The director may disapprove the use of the advertising on any of the grounds set forth in section 41-1813, Idaho Code.

41-906. PREMIUM COLLECTION AND PAYMENT OF CLAIMS. (1) All insurance charges or premiums collected by an administrator on behalf of or for an insurer, and the return of premiums received from that insurer, shall be held by the administrator in a fiduciary capacity. The funds shall be immediately remitted to the person entitled to them or shall be deposited promptly in a fiduciary

account established and maintained by the administrator in a federally or state insured financial institution. The written agreement between the administrator and the insurer shall provide for the administrator to periodically render an accounting to the insurer detailing all transactions performed by the administrator pertaining to the business underwritten by the insurer.

(2) All such funds, including charges, fees or premiums, shall be used to establish the premium tax under section 41-402, Idaho Code.

(3) If charges or premiums deposited in a fiduciary account have been collected on behalf of one (1) or more insurers, the administrator shall keep records clearly recording the deposits in and withdrawals from the account on behalf of each insurer. The administrator shall keep copies of all the records and, upon request of an insurer, shall furnish the insurer with copies of such records pertaining to deposits and withdrawals associated with the insurer.

(4) The administrator shall not pay any claim by withdrawals from a fiduciary account in which premiums or charges are deposited. Withdrawals from the account shall be made as provided in the written agreement between the administrator and the insurer. The written agreement shall address, but not be limited to, the following:

- (a) Remittance to an insurer entitled to remittance;
- (b) Deposit in an account maintained in the name of the insurer;
- (c) Transfer to and deposit in a claims-paying account with claims to be paid as provided for in subsection (5) of this section;
- (d) Payment to a group policyholder for remittance to the insurer entitled to such remittance;
- (e) Payment to the administrator of its commission, fees or charges; and
- (f) Remittance of return premiums to the person or persons entitled to such return premiums.

(5) All claims paid by the administrator from funds collected on behalf of or for an insurer shall be paid only on drafts or checks of and as authorized by the insurer.

41-907. DELIVERY OF MATERIALS TO COVERED INDIVIDUALS. Any policies, certificates, booklets, termination notices or other written communications delivered by the insurer to the administrator for delivery to insured parties or covered individuals shall be delivered by the administrator promptly after receipt of instructions from the insurer to deliver them.

41-908. COMPENSATION TO THE ADMINISTRATOR. (1) An administrator shall not enter into an agreement or understanding with an insurer in which the effect is to make the amount of the administrator's commissions, fees or charges contingent upon savings effected by the adjustment, settlement and payment of losses covered by the insurer's obligations. This provision shall not prohibit an administrator from receiving performance-based compensation for providing hospital or other auditing services.

(2) The provisions of this section shall not prevent the compensation of an administrator from being based on premiums or charges collected or the number of claims paid or processed.

41-909. NOTICE TO COVERED INDIVIDUALS -- DISCLOSURE OF CHARGES AND FEES. (1)

Where the services of an administrator are utilized, the administrator shall provide a written notice approved by the insurer to covered individuals advising them of the identity of and relationship among the administrator, the policyholder and the insurer.

(2) Where an administrator collects funds, the reason for collection of each item shall be identified to the insured party and each item shall be shown separately from any premium. Additional charges may not be made for services to the extent the services have been paid for by the insurer.

(3) The administrator shall disclose to the insurer all charges, fees and commissions received from all services in connection with the provision of administrative services for the insurer, including any fees or commissions paid by insurers providing reinsurance.

41-910. REGISTRATION REQUIREMENT. A person who directly or indirectly underwrites, collects charges or premiums from or adjusts or settles claims on residents of this state in connection with life, annuity or health coverage provided by a self-funded plan not regulated under title 41, Idaho Code, shall register with the director biennially on a form prescribed by the director, verifying its status as herein described.

41-911. HOME STATE LICENSE. (1) A person shall apply to be an administrator in its home state and shall receive a license from the regulatory authority of its home state prior to performing any function of an administrator in this state.

(2) A person applying to Idaho as the home state shall submit to the director an application in the form prescribed by the director that shall include or be accompanied by the following information and documents:

(a) All basic organizational documents of the applicant, including any articles of incorporation, articles of association, partnership agreement, trade name certificate, trust agreement, shareholder agreement, certificate of existence from the Idaho secretary of state and other applicable documents and all amendments to such documents;

(b) The bylaws, rules, regulations or similar documents regulating the internal affairs of the applicant;

(c) NAIC biographical affidavits for the individuals who are directly or indirectly responsible for the conduct of affairs of the applicant, including all members of the board of directors, board of trustees, executive committee or other governing board or committee, the principal officers in the case of a corporation or the partners or members in the case of a partnership, association or limited liability company, any shareholders or members holding directly or indirectly ten percent (10%) or more of the voting stock, voting securities or voting interest of the applicant and any other person who directly or indirectly exercises control or influence over the affairs of the applicant;

(d) Audited annual financial statements or reports for the two (2) most recent fiscal years that prove that the applicant has a positive net worth. If the applicant has been in existence for less than two (2) fiscal years, the uniform application shall include financial statements or reports, certified by an officer of the applicant and prepared in accordance with GAAP, for any completed

fiscal years and for any month during the current fiscal year for which such financial statements or reports have been completed. An audited annual financial report prepared on a consolidated basis shall include a columnar consolidating or combining worksheet that shall be filed with the report and include the following:

(i) Amounts shown on the consolidated audited financial report shall be shown on the worksheet;

(ii) Amounts for each entity shall be stated separately; and

(iii) Explanations of consolidating and eliminating entries shall be included.

The applicant shall also include such other information as the director may require in order to review the current financial condition of the applicant;

(e) A statement describing the business plan, including information on staffing levels and activities, proposed in this state and nationwide. The plan shall provide details setting forth the applicant's capability for providing a sufficient number of experienced and qualified personnel in the areas of claims processing, recordkeeping and underwriting;

(f) The license application fee as provided for by rule; and

(g) Such other pertinent information as may be required by the director.

(3) An administrator licensed or applying for licensure under the provisions of this section shall make available for inspection by the director, copies of all contracts with insurers or other persons utilizing the services of the administrator.

(4) An administrator licensed or applying for licensure under the provisions of this section shall produce its accounts, records and files for examination, and make its officers available to give information with respect to its affairs, as often as reasonably required by the director.

(5) The director may refuse to issue a license if the director determines that the administrator or any individual responsible for the conduct of affairs of the administrator is not competent, trustworthy, financially responsible or of good personal and business reputation, or has had an insurance or an administrator certificate of authority or license denied or revoked for cause by any jurisdiction, or if the director determines that any of the grounds set forth in section 41-915, Idaho Code, exist with respect to the administrator.

(6) A license issued under this section shall remain valid, unless surrendered, suspended or revoked by the director, for so long as the administrator continues in business in this state and remains in compliance with the provisions of this chapter and any applicable rules.

(7) An administrator licensed or applying for licensure under the provisions of this section shall immediately notify the director of any material change in its ownership, control or other fact or circumstance affecting its qualification for a license in this state.

(8) An administrator licensed or applying for a home state license that administers or will administer self-funded health plans subject to regulation under chapter 40 or 41, title 41, Idaho Code, shall maintain a surety bond for the use and benefit of the director to be held in trust for the benefit and protection of covered persons and the insurer or insurers against loss by reason of acts of fraud or dishonesty. The bond shall be in the greater of the following amounts:

- (a) One hundred thousand dollars (\$100,000); or
- (b) An amount equal to the greater of ten percent (10%) of the contributions collected by the administrator from self-funded plans subject to regulation under chapters 40 and 41, title 41, Idaho Code, or ten percent (10%) of the benefits paid by such self-funded plans administered during the preceding calendar year. If the administrator did not administer any self-funded plans subject to regulation under chapter 40 or 41, title 41, Idaho Code, during the preceding calendar year, the bond shall be in an amount equal to ten percent (10%) of the contributions projected to be received by the administrator from such self-funded plans during the next calendar year.

41-912. NONRESIDENT ADMINISTRATOR LICENSE. (1) Unless an administrator has obtained a home state license in this state, any administrator who performs administrator duties in this state shall obtain a nonresident administrator license in accordance with the provisions of this section by filing with the director the uniform application, accompanied by a letter of certification. In lieu of requiring an administrator to file a letter of certification with the uniform application, the director may verify the nonresident administrator's home state certificate of authority or license status through an electronic database maintained by the NAIC, its affiliates or subsidiaries.

(2) An administrator shall not be eligible for a nonresident administrator license under the provisions of this section if it does not hold a license in a home state that has adopted under the provisions of this chapter or a substantially similar law governing administrators.

(3) Except as provided in subsections (2) and (8) of this section, the director shall issue to the administrator a nonresident administrator license promptly upon receipt of a complete application.

(4) Each nonresident administrator shall file biennially, as a part of its application for renewal of its license, a statement that its home state administrator license remains in force and has not been revoked or suspended by its home state during the preceding years.

(5) At the time of filing the application for licensing required under the provisions of this section the nonresident administrator shall pay a license application fee as provided for by rule.

(6) An administrator licensed or applying for licensure under the provisions of this section shall produce its accounts, records and files for examination, and make its officers available to give information with respect to its affairs, as often as reasonably required by the director.

(7) A nonresident administrator is not required to hold a nonresident administrator license in this state if the administrator is licensed in its home state and the administrator's duties in this state are limited to:

- (a) The administration of a group policy or plan and no more than a total of twenty percent (20%) of covered persons, for all plans the administrator services, reside in this state; and
 - (b) The total number of covered persons residing in this state is less than one hundred (100).
- (8) The director may refuse to issue a nonresident administrator license, or delay the issuance of a nonresident administrator license, if the director

determines that, due to events or information obtained subsequent to the home state's licensure of the administrator, the nonresident administrator cannot satisfy the requirements of this chapter or that grounds exist for the home state's revocation or suspension of the administrator's home state certificate of authority or license.

41-913. EXPIRATION AND RENEWAL OF ADMINISTRATOR LICENSE. (1) A license issued pursuant to this chapter shall expire on December 31 of the year following its issuance, but may be renewed for a period of two (2) years commencing January 1 upon filing a renewal form prescribed by the director accompanied by a fee as provided for by rule. The renewal form shall be filed on or before December 31. Any renewal form postmarked or submitted electronically after December 31 shall be accompanied by an additional late filing fee in the amount of double the unpaid renewal fee. Any renewal postmarked after January 31 must be submitted as a new application with supporting documents and accompanied by the full application fee as provided for by rule.

(2) The license shall be renewed by the director unless the director determines that the administrator is not competent, trustworthy or financially responsible, or has had an insurance license denied, revoked or suspended for cause by any state, or otherwise does not meet the qualifications for licensure as set forth in this chapter.

41-914. ANNUAL REPORT. (1) Each administrator licensed under the provisions of this chapter shall file an annual report for the preceding calendar year with the director on or before July 1 of each year, or within such extension of time as the director for good cause may grant. The annual report shall include an audited financial statement performed by an independent certified public accountant. An audited annual financial report prepared on a consolidated basis shall include a columnar consolidating or combining worksheet that shall be filed with the report and include the following:

(a) Amounts shown on the consolidated audited financial report shall be shown on the worksheet;

(b) Amounts for each entity shall be stated separately; and

(c) Explanations of consolidating and eliminating entries shall be included.

The report shall be in the form and contain such matters as the director prescribes and shall be verified by at least two (2) officers of the administrator.

(2) The annual report shall include the complete names and addresses of all insurers with which the administrator had agreements during the preceding fiscal year.

41-915. GROUNDS FOR DENIAL, SUSPENSION OR REVOCATION OF LICENSE. (1) The license of an administrator shall be denied, suspended or revoked if the director finds that the administrator:

(a) Is in an unsound financial condition;

(b) Is using such methods or practices in the conduct of its business so as to render its further transaction of business in this state hazardous or injurious to insured persons or the public; or

(c) Has failed to pay any judgment rendered against it in this state within sixty (60) days after the judgment has become final.

(2) The director may deny, suspend or revoke the license of an administrator if the director finds that the administrator:

(a) Has violated any lawful rule or order of the director or any provision of title 41, Idaho Code;

(b) Has refused to be examined or to produce its accounts, records and files for examination, or if any individual responsible for the conduct of affairs of the administrator, including members of the board of directors, board of trustees, executive committee or other governing board or committee, the principal officers in the case of a corporation or the partners or members in the case of a partnership, association or limited liability company, any shareholder or member holding directly or indirectly ten percent (10%) or more of the voting stock, voting securities or voting interest of the administrator and any other person who exercises control or influence over the affairs of the administrator, has refused to give information with respect to its affairs or has refused to perform any other legal obligation as to an examination, when required by the director;

(c) Has, without just cause, refused to pay proper claims or perform services arising under its contracts or has, without just cause, caused covered individuals to accept less than the amount due them or caused covered individuals to employ attorneys or bring suit against the administrator to secure full payment or settlement of such claims;

(d) Fails, at any time, to meet any qualification for which issuance of the license could have been refused had the failure then existed and been known to the director;

(e) Or any of the individuals responsible for the conduct of its affairs, including members of the board of directors, board of trustees, executive committee or other governing board or committee, the principal officers in the case of a corporation or the partners or members in the case of a partnership, association or limited liability company, any shareholder or member holding directly or indirectly ten percent (10%) or more of its voting stock, voting securities or voting interest and any other person who exercises control or influence over its affairs, has been convicted of, or has entered a plea of guilty or nolo contendere to any felony, or to a misdemeanor that evidences bad moral character, dishonesty, a lack of integrity and financial responsibility or an unfitness and inability to provide acceptable service to the consuming public without regard to whether adjudication was withheld; or

(f) Is under suspension or revocation in another state.

(3) The director may, in his discretion and without advance notice or hearing, immediately suspend the license of an administrator if the director finds that one (1) or more of the following circumstances exist:

(a) The administrator is insolvent or impaired;

(b) A proceeding for receivership, conservatorship, rehabilitation or other delinquency proceeding regarding the administrator has been commenced in any state;

(c) The financial condition or business practices of the administrator otherwise pose an imminent threat to the public health, safety or welfare of the residents

of this state; or

(d) A final order suspending or revoking the administrator's license in its home state has been entered.

(4) If the director finds that one (1) or more grounds exist for the suspension or revocation of a license issued under the provisions of this chapter, the director may, in lieu of or in addition to suspension or revocation, impose an administrative penalty upon the administrator pursuant to section 41-117, Idaho Code.

41-916. REPORTING OF ACTIONS. (1) An administrator shall report to the director any administrative action taken against the administrator in another jurisdiction or by another governmental agency within thirty (30) days of the final disposition of the matter. The report shall include a copy of the order, consent order or other relevant legal documents.

(2) Within thirty (30) days of the initial pretrial hearing date, an administrator shall report to the director any criminal prosecution of the administrator or an individual responsible for the conduct of its affairs taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing and any other relevant legal documents.

41-917. PROVISIONS NOT LIMITING. The requirements of this chapter are not a waiver or limitation of provisions of this title or other laws of this state but are additional requirements.

SECTION 3. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval, and retroactively to February 1, 2010.

----- Description -----

Amends laws concerning insurance administrators. Repeals previous chapter and enacts new one. Defines terms. Requires the use of written agreements by administrators. Provides that payments received by an administrator are deemed payments received by the insurer. Requires the maintenance of certain books and records by administrators. Requires insurer approval of advertising used by administrators and filing of advertising materials with the director. Requires that funds received by an administrator be held in a fiduciary capacity and remitted timely to the appropriate person. Requires that administrators deliver certain materials to covered persons. Provides requirements for the compensation of administrators. Requires certain notice be given to covered individuals. Requires registration by persons acting as administrators for self-funded plans. Provides requirements for home state licensing as an administrator. Provides for a nonresident administrator license. Provides for the expiration and renewal of an administrator license and payment of renewal fees. Requires that administrators file an annual report. Provides grounds for the denial, suspension or revocation of an administrator's license. Requires reporting of actions taken against an administrator by another jurisdiction. Effective February 1, 2010.